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RUEHDM/AMEMBASSY DAMASCUS PRIORITY 4855
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RUEHJM/AMCONSUL JERUSALEM PRIORITY 0032
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
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UNCLAS TEL AVIV 001456

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

[1](#)1. Mideast

[1](#)2. Iran

Key stories in the media:

Ha'aretz and other media reported that Israel has signed a prisoner exchange agreement with Hizbullah, according to a statement released yesterday by the Prime Minister's Bureau. The media reported that IDF soldiers have begun digging up the bodies of Lebanese combatants

to be exchanged in the deal. Israel Radio quoted senior GOI sources as saying that the deal with Hizbullah is ready, conditional on exchanging files on MIA Ron Arad and four Iranian diplomats who disappeared in Lebanon in 1982. Aspects of those issues are commented in all media.

Ha'aretz quoted an Israeli government source as saying that Turkey is pressing Syria to move swiftly into direct talks with Israel. However, Ha'aretz and Israel Radio quoted Syrian President Bashar Assad as saying in an interview with the French paper Le Figaro that his country will apparently not engage in direct negotiations with Israel during the Bush administration.

Ha'aretz and Maariv quoted visiting Professor Anthony Cordesman of the Center for Strategic and International Studies as saying that the Chairman of the U.S. Joint Chiefs of Staff, Admiral Michael Mullen, sent Israel an unequivocal message stating that Israel does not have a "green light" from the U.S. to attack Iranian nuclear facilities.

The online service nanal0.co.il reported that Defense Minister Ehud Barak decided last night to close the Gaza border crossing in the wake of mortar shell fire on the Karni crossing yesterday. This comes just two days after crossings were reopened following a break in the fire on Israel. Israel Radio reported that Barak eventually acceded to Egyptian intelligence head Omar Suleiman's request to reopen the crossing.

The Jerusalem Post reported that a high-level Hamas delegation is scheduled to arrive in Cairo on Tuesday for talks with Egyptian government officials on the possibility of reaching a prisoner exchange agreement with Israel and to preserve the cease-fire in Gaza. A top Hamas official said that the movement's representatives in Cairo would ask Egypt to reopen the border a few days a week, and linked Gilad Shalit's release with the opening of the crossings. Yediot quoted the London-based Al-Hayat as saying that the Hamas team negotiating a prisoner swap with Israel has suspended its participation in the talks because of a new Israeli precondition set by Ofer Dekel, PM Ehud Olmert's point man on prisoner exchange: Israel is demanding that Hamas transfer Gilad Shalit, and only later will Egypt open the Rafah crossing to goods traffic and allow the return to Gaza of hundreds of Palestinians stranded in El Arish. The report also states that Dekel demands that only after Shalit is returned will the Gaza-Egypt passage be open to Gaza residents.

Ha'aretz reported that Defense Minister Ehud Barak recently signed an order declaring 36 international charities illegal in Israel, on the grounds that they funnel money to Hamas.

The media reported that yesterday the police rejected criticism over its handling of the bulldozer attack last Wednesday. The media quoted a victim's relative as saying that officers were paralyzed by the fear of legal repercussions.

The Jerusalem Post quoted diplomatic officials as saying yesterday that Israel and Italy are expected to announce the establishment of a "strategic dialogue" during the visit of Italian FM Franco Frattini. The officials pointed out that the only countries Israel has this dialogue with are the U.S., France, and Britain. The Jerusalem Post noted that Frattini's visit come a day after the Fiat Group announced that it will begin manufacturing a sedan car in Iran.

Israel Radio reported that the police will again question PM Olmert on Friday -- ahead of Morris Talansky's cross-examination. Yediot reported that FM Tzipi Livni will ask PM Olmert to resign after Kadima's primaries.

Among recent media reports that his finances are ebbing, billionaire politician Arkady Gaidamak pointed out in an interview with Channel 2-TV on Sunday that he hasn't lost any money because he hasn't sold any assets that have shrunk in theoretical value. He also said that his fortune still amounts to about \$2 billion. On Sunday the Second Television and Radio Authority -- which operates Channel 2-TV -- also announced that Gaidamak will have to sell his shares in the FM99 radio station, due to his political activity.

Leading media reported that 60 families that were harmed by Katyusha

rockets during the Second Lebanon War are suing in a federal court in New York five Lebanese banks that were active in the U.S. on behalf of Hizbullah.

Ha'aretz reported that the ultra-Orthodox rabbinical consensus on banning the entry of Jews to the Temple Mount is showing cracks. This comes in the wake of a decision by religious Zionist rabbis to lift the ban and the increase of religious Zionist visitors to the site.

The Jerusalem Post reported that in Jerusalem on Sunday Canadian MP and former justice minister Irwin Cotler called for criminal charges to be filed against Iranian President Mahmoud Ahmadinejad.

All media reported that today the Water Authority plans to reveal an emergency plan. The level of the Lake of Galilee is at its lowest in five years -- 213 meters below sea level.

Yediot reported that the share of the major Israeli pharmaceutical company Teva on NASDAQ dropped yesterday by 10%, because of a failed test on its star drug Copaxone..

I1. Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "Israel, which has decided to suspend the military option to give the cease-fire a shot, will decide when the trial period is over. It does seem, though, that this stage has not yet arrived."

The conservative, independent Jerusalem Post editorialized: "While Fatah-Hamas reconciliation appears inevitable, the chances of it contributing to Jewish and Palestinian states living side by side in peace and security seem ever more remote."

Dov Weisglass, who was former prime minister Ariel Sharon's top diplomatic advisor, wrote in the mass-circulation, pluralist Yediot Aharonot: "The IDF, which is busy learning the lessons from [the Second Lebanon] War, must find a way to frighten again. Fear will return -- even partly -- to Israel some of its honor and security."

Block Quotes:

II. "Maintaining the Cease-Fire"

The independent, left-leaning Ha'aretz editorialized (7/8): "The Qassam rockets that have continued to land in Israel since the cease-fire agreement have given rise to the feeling that the cease-fire is about to collapse.... There is no doubt that Hamas, like the other organizations, and like Israel, has a great interest in maintaining the current cease-fire. At the same time, there is no doubt that organizations, gangs and even Fatah elements are interested in torpedoing the agreement or are claiming the right to veto decisions by Hamas. Ostensibly Israel could turn its back on the internal Palestinian disputes and say it is none of its business to examine who is breaking or observing the cease-fire. As far as Israel is concerned, Hamas and the other organizations are responsible for the agreement and any violation of it constitutes its revocation. However, the reality in Gaza was not invisible to Israel when it adopted the agreement. Israel knew it would take some time before Israeli airspace would be hermetically sealed to the Qassam rockets.... Israel, which has decided to suspend the military option to give the cease-fire a shot, will decide when the trial period is over. It does seem, though, that this stage has not yet arrived."

II. "Palestinian Reconciliation"

The conservative, independent Jerusalem Post editorialized (7/8): "It may yet take months, but there is every likelihood that Palestinian Authority President Mahmoud Abbas will ultimately reconcile his Fatah movement with Hamas, an interim government of 'technocrats' will be formed, and new Palestinian elections will be held.... Could Abbas enhance his popularity by reaching a 'shelf agreement' with Israel by the December 2008 deadline? It's hard to see how, given that his 'moderate' negotiating stance demands Israeli withdrawal to the 1949 Armistice Lines as well as the Palestinian 'right of return' -- signaling the demographic destruction of Israel and unacceptable even to the most pliant of Israeli governments. If Palestinian negotiators are quietly making far-reaching concessions on borders and refugees to pave the way toward a shelf agreement -- without preparing their people for the idea of compromise -- Abbas's popularity will plummet further. Conversely, if no deal is achieved, Abbas's leadership will be undermined and Hamas emerge ascendant. So while Fatah-Hamas reconciliation appears inevitable, the chances of it contributing to Jewish and Palestinian states living side by side in peace and security seem ever more remote. Does Livni have a Plan B?"

III. "'They Are Not Afraid' (After Benjamin Netanyahu)"

Dov Weisglass, who was former prime minister Ariel Sharon's top diplomatic advisor, wrote in the mass-circulation, pluralist Yediot Aharonot (7/8): "Nasrallah may have good reason to be satisfied.... Hamas, too, understands that it is dealing with current Israel [as opposed to that of the country's founding fathers].... Despite their wretchedness and humility, Hamas's people talk to Israel as equals.... The Second Lebanon War is the best evidence about the importance of appearance in the Middle East. Hizbullah's fortifications and ... its neighborhoods in Beirut were reduced to ashes, but it celebrates its victory. The IDF, which is busy learning the lessons from that war, must find a way to frighten again. Fear will return -- even partly -- to Israel some of its honor and security."

12. Iran:

Summary:

Op-Ed Page Editor Ben-Dror Yemini responded in the popular, pluralist Maariv to Kobi Niv, who yesterday praised the benefit to Israel of an Iranian atomic bomb: "As opposed to what we believed, the fans of conciliation do not favor a world clean of atom bombs. They favor a world in which only 'rational' factors such as Iran have such weapons."

Block Quotes:

"A Bomb of Anti-Semitic Propaganda"

Op-Ed Page Editor Ben-Dror Yemini responded in the popular, pluralist Maariv to Kobi Niv, who yesterday praised the benefit to Israel of an Iranian atomic bomb (7/8): "In the age of anti-Zionism, we hear the old refrain: Israel is a danger to world peace. How lucky, part of the progressive world says to itself, that someone puts Israel in its place. It will stop jeopardizing world peace..... Many inanities have been appearing for many years in books and articles, in praise of Iran and in condemnation of dangerous Israel. Not all criticism of Israel is void. Not all opposition to attacking Iran is demonic... [But] as opposed to what we believed, the fans of conciliation do not favor a world clean of atom bombs. They favor a world in which only 'rational' factors such as Iran have such weapons. The problem is that the propaganda of horror creates admirers in Israel, too."